## Appropriations Committee March 03, 2009

#### [LB37 LB454 LB492]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, March 3, 2009, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB37, LB492, LB454, and agency budgets. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Tony Fulton; Tom Hansen; Heath Mello; Danielle Nantkes; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: (Recorder malfunction)...some introductions at first. We'll start with Senator Jeremy Nordquist from Omaha, District 7, way on the end there. Next to his left is Senator Tom Hansen from North Platte, District 42. To his left is Senator Danielle Nantkes from Lincoln, District 46. Sitting next to her left is Senator John Wightman from Lexington, District 36. Our fiscal analyst for the day is Kathy. My name is Senator Lavon Heidemann. I'm from Elk Creek, District 1. Sitting next to my left will be Senator John Harms from Scottsbluff, District 48. I believe he's got bills in Education today that he's introducing at the present time. Sitting next to his left is Senator John Nelson from Omaha, District 6. Sitting next to his left is Senator Tony Fulton from Lincoln, District 29. Joining us later will be Senator Heath Mello from Omaha, District 5. I believe he has bills up also. Committee clerk...our committee clerk is Anne Fargen. The page for today is Andy and I believe Jamie. At this time we would remind you and please ask that you would please shut off your cell phones, put them on vibrate or silent. Testifier sheets are on the table near the back doors. We ask that you would please fill them out completely, put them in a box on the table when you testify. You do not need to fill out this form if you aren't publicly testifying. At the beginning of the testimony, please state and spell your name. Nontestifier sheets are near the back doors if you do not want to testify but would like to record your support or opposition. Only fill out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of the testimony. We'll need 12 copies. We also ask in...make sure we keep things moving here that you please would keep your testimony concise and on topic, under five minutes would be appreciated. And with that, I believe we are running, aren't we? We are running. We are going to open up the public hearing on LB37. Speaker Flood. []

SENATOR FLOOD: (Exhibits 1 and 2) Good afternoon. Thank you, Mr. Chairman and members of the Appropriations Committee. My name is Mike Flood, F-I-o-o-d. I represent Madison County in the Legislature and includes the city of Norfolk. If there ever was a cause or a legislative issue that defined my service in the Legislature on behalf of those I represent, this bill, this project, this unbelievable partnership between a university and a community college to improve the lives in northeast and north-central Nebraska meets the test. Shortly after the Norfolk Tyson plant closed in February of 2006, I convened a meeting between the University of Nebraska Medical Center Chancellor Maurer and Northeast Community College President Bill Path. I challenged

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them both to consider jointly operating a College of Nursing Northern Division on the campus of Northeast Community College. This has never been done before. Such a concept has never been proposed and, quite frankly, has never happened in the state of Nebraska. Instead of simply pushing my idea aside, Chancellor Maurer immediately commissioned a UNMC feasibility study, challenging Nursing Dean Tilden and her associates to prepare the study to determine the need for nurses in northeast and north-central Nebraska. Within four months the report was complete and it showed that no other part of the state was the nursing shortage as severe as the one currently facing the area that I live in. The University of Nebraska Medical Center made it clear that to operate in Norfolk required first-class facilities and the resources to be a competitive and superior program. As part of the discussion, UNMC wanted two things: number one, a state-of-the-art facility estimated to cost \$11.9 million; and two, an ongoing fund of excellence no less than \$350,000 per year from private donations in the future. I am pleased to report today that we are close to achieving our goal in raising money for the facility, thanks in part to bids that came in lower than expected, and the private funding of \$350,000 per year for continued nursing education has been achieved into the foreseeable future. The people of my area in the state have spoken. They want a College of Nursing Northern Division. They're willing to do their part. They're willing to pay for the building and to sustain a College of Nursing fund of excellence. We are here today to secure the operational funding for the University of Nebraska Medical Center facility operations. The appropriations under consideration today will pay for the nursing administration, faculty, and support necessary to operate a first-class College of Nursing in Norfolk. While the resources are directed at the facility in Norfolk, the benefit will not solely inure to Faith Regional Health Services, our local hospital. Hospitals in Albion, Neligh, O'Neill, Osmond, West Point, Wayne, and nursing homes in communities like Pierce and Norfolk and Battle Creek are all excited about this project. This is truly a regional effort, one that will pay great dividends to the rest of the state for years to come. According to an economic impact assessment conducted by Dr. Donis N. Petersan, a former economist with the Nebraska Public Power District, it is expected that the College of Nursing Northern Division will graduate up to 68 bachelor and graduate level students each year when completed and at capacity. When practicing in the Northeast Community College 20-county service area and in the surrounding communities of Columbus, Albion and Valentine, among others, these graduates will earn an estimated \$4.1 million in annual wages and benefits. As you can see, I am confident this is the right project at the right time for an area of the state that desperately needs nurses as well as opportunities for good-paying jobs. Later this afternoon you will hear from president of the university, J.B. Milliken, Northeast Community College President Dr. Bill Path, Faith Regional Health Services CEO and President Jim Sinek, Norfolk Mayor Sue Fuchtman, Boone County Health Center CEO Vic Lee, and Megan Promes. She is a senior at Norfolk Catholic High School and she's anxiously looking forward to participating in this UNMC program in Norfolk. As you can tell, I'm committed to this project. I'm at your disposal to answer any questions. You'll note in the binder that I passed around I have letters of support in that binder. I also asked the page to

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hand out letters of support from the Nebraska Nurses Association. I would ask that the committee statement reflect that these organizations are supporting LB37. We know that your time is valuable. We have discussed at length the importance of being clear and articulate and as brief as possible this afternoon. We will hopefully do that and be able to answer any questions that you have. And because we value your time, I will waive my closing. [LB37]

SENATOR HEIDEMANN: Thank you. I'd like to take the opportunity to applaud the community of Norfolk and the region around Norfolk for stepping up with the monetary commitment that they have. It's truly something to be proud of. Senator Hansen. [LB37]

SENATOR HANSEN: Thank you. Speaker Flood, and I want to continue on with what the Chairman asked about. The \$350,000 that you say is coming in, in private funding, per year, will someone address that that's testifying behind you? [LB37]

SENATOR FLOOD: I can answer that question for you now. [LB37]

SENATOR HANSEN: Okay. [LB37]

SENATOR FLOOD: The UNMC wanted a fund of excellence above and beyond any state appropriations, recognizing that recruitment and retention of good faculty, of quality faculty might require a premium, and we went around to area hospitals. Faith Regional has committed a significant part of that. That's the local hospital in Norfolk. But we've got probably ten other facilities that have donated anywhere from \$5,000 to \$12,000 per year. They see this as a recruitment expense for their hospital and they're willing to pay that amount to ensure that they're connected to this College of Nursing and that they can have a chance to get these graduates into their school, into their hospitals. And also, we're hoping that these students will not just go to...just to Faith Regional but across the area. They're going to do clinicals in Albion and West Point and Osmond and Neligh and wherever they...Wayne, and they're going to work in those hospitals and those hospitals will have a chance to keep them employed there after they graduate. [LB37]

SENATOR HANSEN: Our community college also has a nursing program now. We're in the part of the private fund-raising also. We've raised over a half a million dollars for a new building. But you say per year. Is there an end point to that or do you expect that \$350,000 to come in annually for...till you're term limited or when? [LB37]

SENATOR FLOOD: It's committed for five years. No, it's been committed for five years with the first year starting last year to start recruitment efforts. And then after that, it will have to be renegotiated between the hospitals and the Med Center. But some hospitals have paid a five-year commitment up front; some are going to do an annual commitment for five years. Faith Regional has committed over \$1 million to this goal for

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five years and, obviously, it's something we're going to look at and keep going. Our commitment to the Med Center is that we will work to make sure this inures to the benefit of the Med Center for years to come. [LB37]

SENATOR HANSEN: Great. Thank you. [LB37]

SENATOR HEIDEMANN: Senator Wightman. [LB37]

SENATOR WIGHTMAN: Speaker Flood, I understood you to say that you've already raised the \$11 million, was that...or was it \$11 million for construction or...? [LB37]

SENATOR FLOOD: The goal is \$11.9. We've raised about \$10.4, but I can tell you, we have commitments that I think will come through that will get us to our goal by April 1. [LB37]

SENATOR WIGHTMAN: And that's all private. [LB37]

SENATOR FLOOD: Private dollars. Well, city of Norfolk has committed \$1 million, counties in the area have gone together and given some of their inheritance tax dollars so that would...private funding from a public source in those situations, but yes. Majority of the money we've raised would be \$10,000, \$25,000, \$5,000 gifts from folks that live in around northeast, north-central Nebraska and we're very impressed by that. [LB37]

SENATOR WIGHTMAN: Some from community foundations, I suppose, within the area. [LB37]

SENATOR FLOOD: Some, yes. [LB37]

SENATOR WIGHTMAN: Oh, it is amazing. [LB37]

SENATOR FLOOD: Well, Senator Harms and I talked about this when I started this project and he said they were successful with a \$10 million project in his area, so we hired the same consultant Western Nebraska Community College had. (Laughter) [LB37]

SENATOR WIGHTMAN: You knew he was a winner. [LB37]

SENATOR FLOOD: Yeah. So we took his advice. [LB37]

SENATOR WIGHTMAN: Thank you. [LB37]

SENATOR HEIDEMANN: Are there any other questions? The only comment that I have that when this gets up and running and in four years it gets to capacity and you see the

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people, the need for, coming and going, do you see a need for an expressway then to get everybody back and forth? (Laughter) [LB37]

SENATOR FLOOD: That's part of the master plan, Senator. (Laughter) [LB37]

SENATOR HEIDEMANN: Thank you, Speaker Flood. [LB37]

SENATOR FLOOD: Yeah. [LB37]

J.B. MILLIKEN: Good afternoon,... [LB37]

SENATOR HEIDEMANN: Welcome. [LB37]

J.B. MILLIKEN: ... Senator Heidemann, members of the Appropriations Committee. My name is J.B. Milliken, that's J.B. M-i-I-I-i-k-e-n, and I've been waiting my whole life to say that I'm here to join the Speaker of the Legislature in support of his bill on behalf of the University of Nebraska. If I were smarter, instead of giving my testimony I would just say what he said and sit down, but I'm going to add a little bit and make sure that you understand the University of Nebraska's commitment to this joint project. I think it reflects a continuing new way of doing business, partnering with the private sector and other sectors of higher education in Nebraska. I will talk more about that when I testify on the university's mainline budget. But I do think that this is an exemplar model project for the state of Nebraska. In 2006, Speaker Flood wrote to me and asked the university to consider whether there was a need to establish a new division of nursing in northeast Nebraska, and as you heard, under the leadership of Chancellor Maurer and Dean Tilden, a needs analysis was conducted by the University of Nebraska. One of the...I think one of the most pertinent facts here is the projection for the need for nursing in Nebraska. If we look over the next few years, by the year 2020 we expect that there will be almost...a need for almost 4,000 more nurses than we have in Nebraska. We have a several-part plan to address that shortage, which involves nursing in Omaha, nursing in Lincoln but also and very prominently a new nursing division in Norfolk. The shortage of 4,000 nurses will affect the entire state, but it will be felt very keenly in rural communities and rural counties throughout Nebraska. As the Speaker indicated, northeast Nebraska is the region of the state that has the greatest disparity between the production of new nurses and the need for nurses, so this is a very important part of our plan and it is what motivated the chancellor, the dean, and Northeast Community College, and the community of Norfolk and surrounding areas to meet this challenge. This program, as I mentioned, is cooperative--Northeast Community College, the University of Nebraska Medical Center, and regional hospitals. It will provide six levels of nursing education from certified nursing assistant to a Ph.D. in nursing. You've heard about the successful fund-raising campaign. I think the Speaker and his colleagues have been aggressive and apparently very successful in raising a vast majority of the \$11.9 million required for the facility and for annual support of operations of the nursing

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division in Norfolk. LB37 would appropriate funds for the operation of the facility, approximately \$800,000 in the first year of the biennium and \$1.5 million in the second, and then continuing to support the activity there. I urge the committee to support LB37, which has the support of the Board of Regents of the University of Nebraska and is an important part of our efforts to serve the state in meeting the needs for professional nurses in the future. I'd be happy to respond to any questions. [LB37]

SENATOR HEIDEMANN: I awhile back had an opportunity to look at the preliminary breakout of where the money was going to go and in the tough economic times that we are in and with the state having to deal with revenue shortfalls, have you looked at that and is there any way...as we want to see, if the committee decides this is a priority and we want to move forward with this, is there any way that we can make this more affordable for the state? [LB37]

J.B. MILLIKEN: Well, you know, we are looking and I'm sure we'll have an opportunity to discuss this a little later this afternoon at how we prioritize the investments across the entire University of Nebraska. That's something we're looking at closely now on each campus, where we would put the first dollars, where our priorities are. I will tell you that I think that addressing this nursing shortage, which will be felt across Nebraska, has to be one of our highest priorities. We will continue to look at this request, as we look at all of the items in our budget, to find where there are areas for savings. So, Mr. Chairman, I wouldn't tell you today that there are not areas in this request where we could, if we had to, find some savings. It's the same thing I would tell you about the entire university budget. We'll continue to work with the committee and the Legislature, and I will work with Chancellor Maurer and Dean Tilden to see where we can find efficiencies if necessary. [LB37]

SENATOR HEIDEMANN: Thank you. Senator Wightman. [LB37]

SENATOR WIGHTMAN: Can you tell me, Dr. Milliken, of what other nursing facilities there are outstate? UNK has a nursing facility, don't they? [LB37]

J.B. MILLIKEN: There are currently four divisions of nursing. They're all part of the University of Nebraska Medical Center, all under Dean Tilden and the College of Nursing which is headquartered in Omaha. There's a division in Lincoln. There's a division in Kearney, and there is a division in Scottsbluff, Nebraska. [LB37]

SENATOR WIGHTMAN: So this would be fourth outstate one, is that correct, counting Lincoln,... [LB37]

J.B. MILLIKEN: This would be the fourth outstate. Would be the fifth division. [LB37]

SENATOR WIGHTMAN: ...I guess, if we're going to count Lincoln as outstate? [LB37]

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J.B. MILLIKEN: I don't want to get into that, (laugh) the greater Nebraska outstate discussion, but I would say this would be the fifth division. [LB37]

SENATOR WIGHTMAN: The fifth division. [LB37]

J.B. MILLIKEN: This is a...yeah, and that brings up a fair point. [LB37]

SENATOR WIGHTMAN: Including the Medical Center. [LB37]

J.B. MILLIKEN: Yes, which is one of them and I think this raises a good point, in terms of efficiencies of operation. We are not talking about creating a new college structure, an administrative structure. We're talking about creating a fifth operation which runs under the leadership of Dean Tilden at the Medical Center. It's one of...to me, this is one of the great success stories of the university system, is that on two of our other campuses we operate divisions run by the University of Nebraska Medical Center College of Nursing. [LB37]

SENATOR WIGHTMAN: Is the Scottsbluff facility run in conjunction with... [LB37]

J.B. MILLIKEN: Yes. [LB37]

SENATOR WIGHTMAN: ...and in partnership with Western Community College? [LB37]

J.B. MILLIKEN: You know, that's a...that's a question I'd have to defer to Dean Tilden on. I'm not sure. It would not be to the extent, of course, that this partnership in northeast Nebraska, where the community college is housing the division of nursing on its campus. So it's a different, I think, different kind of relationship. Here we've had the opportunity to build this from the ground up by looking first at the need and then developing an approach to meet that. [LB37]

SENATOR WIGHTMAN: Thank you. [LB37]

SENATOR HEIDEMANN: Senator Mello, and then Senator Nelson. [LB37]

SENATOR MELLO: President Milliken, thank you for joining us today. As I'm sure you're following the American Recovery and Reinvestment Act and where some of those federal dollars will be coming to Nebraska, and knowing that LB37, is my understanding, is mostly dealing with construction costs, do you think this project is a worthwhile project to maybe fall under those federal stimulus dollars that look to be earmarked for education-related purposes? [LB37]

J.B. MILLIKEN: Let me...let me...thank you, Senator Mello. Let me say two things. I

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understand why...might think that but, really, LB37 is addressing the ongoing operating costs. The facility's costs are going to be raised almost completely by the private sector. We're not seeking funds for a building here. And I'm probably not the best person to ask about whether the...what used to be called the stimulus package would provide some assistance here. I'm having a tough time getting my arms around the stabilization piece of that and the discretionary as well as the educational aspects of it. You know, my general view is that, at a minimum, the stabilization piece, the almost \$300 million, should provide some relief for state expenditures in a number of areas and so that might provide some assistance in this area. But these will be ongoing operating costs, which even if assisted by the stabilization, that would be one-time support, so we'd have to figure out a way to deal with it from this point on. [LB37]

SENATOR HEIDEMANN: Senator Nelson. [LB37]

SENATOR NELSON: Thank you, President Milliken. Maybe this might be a better question for Dr. Path, but what happens to the Northeast Community College program? Is this combining then? Is it going to be a combined effort? [LB37]

J.B. MILLIKEN: That would certainly be a better question for Dr. Path, but I will say that they will continue to have a nursing program and this will be complementary, would be my understanding of the arrangement. [LB37]

SENATOR NELSON: All right. Thank you. [LB37]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB37]

J.B. MILLIKEN: Thank you very much. [LB37]

BILL PATH: Senator Heidemann, members of the Appropriations Committee, my name is Dr. Bill Path, P-a-t-h, president, Northeast Community College. I told you when I sat in this seat yesterday I was going to do something very unique for a community college president to actually lend support for another sector of higher education for their appropriation request, and I'm going to do it again today. There's a pattern forming here because I fervently believe in the need for partnerships in higher education, particularly now in difficult economic times. We no longer have the luxury of being competitors with one another in higher education. We need to look for more opportunities to be collaborators in efforts to bring programs that are needed to our constituents all across the state of Nebraska. This College of Nursing I think is a shining example of the type of project that can occur when you've got two institutions willing to work together with the private sector in order to make something very positive to happen for generations to come. This isn't just about Northeast Community College. This isn't about something good for the university system. This is about something that is good for residents of rural Nebraska in a 20-county-plus area. And I will tell you this before I begin my

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testimony as well. I've had the opportunity to talk about a lot of exciting projects over my career to a lot of audiences. I have never ever seen anything resonate like this particular project is resonating across rural Nebraska. And we do have a number of people in the audience here that are representative of literally thousands of individuals that are very excited about this campaign. Want to talk about the need for nursing real quick and I'm going to try not to duplicate any of the testimony that you've already had. Northeast Community College has been offering nursing education in northeast Nebraska for a number of years. We've produced nurses at capacity for years now. We produce about 70 nursing graduates a year between our LPN program and our associate degree nursing program. We are only accredited as far as the associate's degree. We cannot offer bachelor's degrees, master's, or doctorate degrees, nor can we keep up with the demand for the nursing shortage that we're seeing in northeast Nebraska right now. Comes as no surprise to anyone in this room that there's a nursing shortage nationwide. It's felt acutely in Nebraska, but the Department of Labor statistics tell us that it's most acute in northeast Nebraska. Northeast Nebraska residents are having to travel way too far for speciality healthcare services. We have an aging population that is needing more and more healthcare services. We're losing many of our best and brightest young people out of the area right now that go off and get their nursing education and never come back to northeast Nebraska. This is an opportunity to reverse that trend in order to keep some of those young people here to allow them to get any level of nursing they could possibly imagine, everything from a basic nurse aide to an LPN to an ADN that Northeast offers, to the bachelor's degree, master's degree, or doctorate degree. If you will, every degree known to man is going to exist in this nursing facility when we're successful with this. We do intend to double the output of nurses when we're successful with this project. As I indicated, Northeast is producing about 70 students a year in the nursing programs. UNMC, between the bachelor's degree and their two graduate programs, will be producing about 70 students a year when we're fully operational on this project. This project is a project that, as been indicated, has been very successful with a capital campaign. You've heard the numbers on that already, but what has not been reported to you is of that \$10.4 million, almost \$10.5 million that's been raised, that's occurred in about a year's span period of time and that amounts to about 350 separate donations. If you do the math on that real quick, we're talking about some extremely generous gifts that have come in on this project. And as the Speaker indicated, we do believe that we can finish this up in the matter of a couple of months. We have raised the money now to actually build the physical building. We're simply finishing off the project with the technology needs for the building. There's some very sophisticated equipment that goes into training nurses in this day and time. One of the pieces that they described for me is what they call a SimMan. It's a simulator mannequin and it can...they can writhe and scream and endure all sorts of agony in a very realistic way to allow the nurses to train on a mannequin. But we will have two of these highly technical pieces of equipment in the College of Nursing on the campus of Norfolk. I could go on for hours but I know that's not my mission here. If there are any questions that I can address from the community college perspective or

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the campaign or the community perspective, I'd love to do that for you. [LB37]

SENATOR HEIDEMANN: You graduate 70 students a year. Do you have data where they're landing up and practicing? [LB37]

BILL PATH: The vast majority of our majors at Northeast Community College, including nursing, do wind up in Nebraska and the majority do wind up in a 20-county service area of northeast Nebraska. Close to 98 percent of our students that graduate every year do wind up in the chosen field that they've studied and the majority of those are in Nebraska. Well over 68, almost 70 percent do wind up in northeast 20-county service area. [LB37]

SENATOR HEIDEMANN: Okay. That's good information. Senator Harms. [LB37]

SENATOR HARMS: Dr. Path, you should be congratulated on putting this program together. I just think it's absolutely marvelous. But it's really just the beginning, isn't it? Don't you have a lot of other options once you get this put together on the shortages that you could have and the partnership you have with the University of Nebraska Medical Center? It's a great model for other colleges to look at, not only in this great state but other places in the country. Isn't that correct? [LB37]

BILL PATH: Thank you, Senator Harms. We do believe this will be a national model of the cooperation between a publicly supported community college and a public four-year college, and let me define why I'm using the word "public" here. When we did the feasibility study in the summer of 2006, we discovered that you can earn a bachelor of science in nursing in several locations around the region but you have to go into South Dakota. You can go to Yankton or Sioux Falls. You can go to Sioux City in Iowa or you can go down to Fremont. But every one of these schools were private institutions, good institutions, but the tuition was running anywhere from \$480 a credit hour to over \$700 a credit hour. Northeast Community College will be offering the freshman/sophomore years at \$75 a credit hour. UNMC will be offering the junior/senior level courses. This allows UNMC to come in and do what they do best, and that's train nurses. They don't have to duplicate freshman/sophomore course offerings because we already have that. They don't have to build dormitories because we already have that, cafeterias, book stores. All of the infrastructure is there in a very affordable way to do this. I do believe, and this is not a stretch, that this will be the single, most affordable BSN in the state of Nebraska when we're successful with this. But to finish responding to your question, Chancellor Maurer and I have had several discussions on what next, and not if we're successful but when we're successful with nursing. The potential is staggering, as far as other bachelor's, master's, and doctorate degrees in the health arena that the University of Nebraska Medical Center could bring to Norfolk. [LB37]

SENATOR HARMS: Dr. Path, when you look at...when you talk about nursing, are you

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just talking about the bachelor's of nursing or are you looking at the associate's degree and a seamless environment from, for example, from the practical nurse...looking at the ladder/lattice approach, the old terminology where you climb a ladder and you stop out for awhile, which is lattice, and then you go on up. Are you looking at that at all where they can get into the PN program and then move into the associate's degree, and from associate go into the bachelor's degree, and from there into the master's program? Is that where you're headed? [LB37]

BILL PATH: Yes. [LB37]

SENATOR HARMS: Boy, that's great. [LB37]

BILL PATH: There will be two avenues in order to get to the BSN. You can start out straight for the BSN. You can take your freshman/sophomore courses from Northeast, move on to the junior and senior years. Or, as you're indicating, there is that RN to BSN conversion program so if a person starts out in the LPN degree or the associate degree nursing and then decide they want to take some leveling courses to go on and get the bachelor's, that's certainly going to be one of the options. Our phones have been ringing off the hook and a lot of them have been graduates from Northeast nursing programs saying, I've always wanted to go back and get my bachelor's degree, is this going to be a chance for me, and the answer is, yes, absolutely. [LB37]

SENATOR HARMS: Yeah. Boy, I just think that's absolutely wonderful because it's been a long time since the community colleges have been able to actually use the ladder/lattice approach and that's going to just open so many doors for us. I congratulate you in what you're doing... [LB37]

BILL PATH: Yes, it will. [LB37]

SENATOR HARMS: ...because it is creative and innovative and it will be a national model, as we both know. [LB37]

BILL PATH: Thank you, Senator. [LB37]

SENATOR HARMS: You're welcome. [LB37]

BILL PATH: That means a lot coming from you. I appreciate that. [LB37]

SENATOR HEIDEMANN: Are there any other questions? Thank you. [LB37]

BILL PATH: Thank you. [LB37]

JIM SINEK: Chairman Heidemann, members of the Appropriations Committee, my

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name is Jim Sinek, S-i-n-e-k, I am president and chief executive officer of Faith Regional Health Services in Norfolk, Nebraska. On behalf of Faith Regional Health Services and the Nebraska Hospital Association, I appreciate the opportunity to testify today in favor of LB37. Faith Regional Health Services has been delivering high-quality healthcare services to the residents of northeast Nebraska since 1923. Faith Regional is a regional referral center serving approximately 100,000 individuals in a 75-mile radius. Faith Regional Health Services has a 166-bed acute care facility which offers centers of excellence and specialty care in cardiovascular care, cancer care, physical rehabilitation, obstetrics, and behavioral health. We provide those services in a multitude of locations throughout Norfolk. The board of directors, our medical staff, our administrators, over 400 nursing staff, and other associates at this not-for-profit, community-based hospital are dedicated to improving the health and the quality of the residents in northeast Nebraska. We serve approximately 82,000 patients annually on an inpatient or outpatient basis, we deliver approximately 1,000 babies a year, and we have a total work force of over 1,200 individuals at Faith Regional Health Services. Among Faith Regional's affiliates is St. Joseph's Rehabilitation and Care Center. It's a 103-bed facility which both long-term and short-term care is provided. Faith Regional is currently in a significant building project. We have a \$58 million building project which is going to expand our bed count by 39 beds, and recruiting nursing staff is critical. And in order for Faith Regional to continue to develop its specialty services, we will need to recruit nurses with either the background or training commensurate with this higher level of service. A bachelor of science degree nursing program will provide that particular specialty. It is vital to have four-year bachelor of science degree nurses to support our cardiology, orthopedic, neurosurgery, and intensive care specialties. As you can imagine, we do a lot of physician recruitment. One of the first questions a prospective physician will ask is, what is the complement on-hand in terms of high-level providers, in particular nursing staff, to support their particular specialty or service lines? The physicians will, in particular, be interested in the complement of BSN nurses for that particular service line the physician is involved with. As part of Faith Regional's prospective partnership with Northeast Community College and the university, and in addition to our financial commitment, we are committed to providing Faith Regional Health Services as the teaching facility for the nursing students. We're committed to providing an environment fully supportive of the clinical nursing rotations, especially in the hopes that the nursing students will be attracted to not only our workplace culture but all the hospitals in our immediate area, as well as clinics, for the long term. As I mentioned, Faith Regional has invested a significant amount of financial resources to this project, namely, a \$1.16 million commitment to the excellence fund which was described earlier. This fund will provide continuing education for the nursing work force, as well as updated technology. Finally, I'd like to emphasize the cost impact of the current nursing shortage which has been spoken to. Because of the severe shortage, many times we are constrained to hire contract nurses for our operational needs. By its very nature, contract nursing has limitations for healthcare systems; obviously, is more costly, it's about twice as expensive to have contract nurses than to have employed

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nurses. But often the cost is underestimated in terms of safety, clinical quality, patient satisfaction. It's harder to quantify but it's more important to the overall culture and level of care for our patients. The advantages of a permanent, local and experienced nursing work force are many. The economic benefits for individuals and hospitals and clinics throughout northeast Nebraska and north-central Nebraska are significant, and the financial commitment by many already towards this initiative is significant as well. I appreciate the opportunity to be here. Would be happy to answer any questions from my perspective. [LB37]

SENATOR HEIDEMANN: Can you, to help me out a little bit better, it's been talked about a little bit, the excellence fund, can you describe that a little bit better for me? [LB37]

JIM SINEK: Yeah, my understanding of the excellence fund is that it provides beyond the operations for this particular college, provides the opportunity to assist in recruitment, provides the opportunity to have a little higher technology, and really I think guarantees that you're going to have a first-rate, five-star nursing college in Norfolk, Nebraska, which I think is standard for the University of Nebraska. [LB37]

SENATOR HEIDEMANN: All right. Thank you. Are there any other questions? Seeing none, thank you. [LB37]

JIM SINEK: Thank you. [LB37]

SENATOR HEIDEMANN: Welcome. [LB37]

VICTOR LEE: Senator Heidemann, members of the committee, my name is Victor Lee, L-e-e. I am the president and chief executive officer of Boone County Health Center in Albion, Nebraska. Boone County Health Center serves a large geographical area, including Boone County and seven (sic) contiguous counties of Antelope, Greeley, Madison, Nance, Platte, and Wheeler. Twelve rural communities are served by the five satellite clinics operated by the health center. Our satellites are located in Elgin, Newman Grove, Fullerton, Spalding, and Albion. In total, the service area contains about 10,000 residents and we employ over 200 medical and support staff, and we are the largest employer in the service area. Thank you for the opportunity to testify in favor of LB37. As the administrator of a critical access hospital in a rural part of the state, I see firsthand the need for well-trained nurses. There are very few fields that have a direct impact on the quality of healthcare as nurses. Critical access hospitals are incredibly important to the continued vitality of northeast and north-central Nebraska and the residents. These communities' residents rely on the close proximity of the healthcare services offered by hospitals such as Boone County Health Center; however, recruiting these nurses trained in Omaha and Lincoln to practice in rural hospitals can be a difficult task, particularly in the midst of a statewide nursing shortage. The College

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of Nursing Northern Division in Norfolk will allow nursing students to perform their clinical rotations in rural hospitals, allowing them the expertise...allowing them expertise and have a rewarding nursing practice in rural hospitals and find out how good it could be. Boone County Health Center provides a rural rotation experience for physicians, physician assistants, as well as nursing students. I believe that the very students who complete their rotations in a rural setting receive valuable, hands-on experience. St. Mary's College of Nursing in Omaha is one of the nursing schools we currently work with. The first year we offered rotation for the students, only one of their students came to Albion. Once the student had the chance to share her experience with her fellow students back in Omaha, we had 12 requests the next year. Today's nursing graduates not only have the ability to care for patients in a hospital, clinic, or retirement home, but they also have the opportunity to use their nursing education and experience in a wide range of nonclinical careers. While giving the nursing graduate a vast number of career opportunities to choose from, it also limits the number of potential graduates for us to attract. LB37 provides the ability for more graduates to be available for those of us in rural settings to recruit to our communities. Boone County Health Center currently employs 45 nurses with an average age of 44 years. We are fortunate that we have no openings at the current time; however, that can change quickly. The makeup of our nursing staff and the average age is a microcosm of the nursing profession in Nebraska as well as nationally. As the current age of our staff nurses ages and retires, replacements must be found. Another issue that makes the support of this bill important is the role of the nontraditional student and their proximity to their educational needs. We are seeing more farmer and rancher wives going back to school to help supplement their family incomes. The ability to obtain a nursing education close to home and not having to spend time away from their families can be the difference in their desire or their ability to seek further education and, therefore, could jeopardize the family's ability to meet their expenses. The College of Nursing Northern Division is going to help alleviate an impending nursing shortage in our area of the state and directly impact the quality of life for years to come. I hope that you will thoughtfully consider this request for ongoing operational funding for the much needed division. I thank you for your time and your consideration, and be happy to answer any questions. [LB37]

SENATOR HEIDEMANN: Thank you for coming and testifying today. Are there any questions? Seeing none, thank you. [LB37]

VICTOR LEE: Thank you. [LB37]

SENATOR HEIDEMANN: Welcome. [LB37]

SUE FUCHTMAN: Senator Heidemann, members of the committee, my name is Sue Fuchtman, F-u-c-h-t-m-a-n. I am the mayor of Norfolk, Nebraska, a city of approximately 25,000 and, probably just as important, I'd like to say that we're part of a community of towns and cities in our area of about 75,000, all working certainly toward the betterment

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of our area in northeast Nebraska. I'm also president of the Day Companies there in Norfolk. I'm a lifelong resident of northeast Nebraska and certainly I will tell you I sit before you very proud of the progress Norfolk has made over the last years, but this partnership between Northeast Community College and the University of Nebraska Med Center is certain to go down in history as a pivotal moment for our corner of the state. Northeast Nebraska has seen a troubling outmigration trend among our young people. The College of Nursing Northern Division will give our youth an opportunity receive up to a doctorate in a career that is virtually recession proof and that pays well and will allow them to stay close to their families in our area. Jobs in this field will be available in northeast Nebraska and we will have students who are ready and willing to go into the nursing field. All that is missing is the advanced training that these potential students are seeking. Certainly this project will provide that missing link. This remarkable partnership not only will allow students to more readily access a nursing education in northeast Nebraska but certainly the students will also benefit from the least expensive nursing education in the state thanks to their ability to take their first two years at Northeast's tuition rate. In addition, the students will be able to do their clinical rotations in hospitals across northeast Nebraska, giving them, again, an opportunity to see what nursing practice is like in our area of the state. Our residents of northeast Nebraska certainly are very excited about the economic benefits that will result from this partnership as well. They have invested their own money in this project because they see that this will be a huge return on that investment for their communities in the many years to come. By doubling the number of nurses graduating each year in northeast Nebraska, the College of Nursing Northern Division will help us to fill the roughly 74 nursing vacancies we will have each year through the year 2020 in northeast Nebraska. Those nurses will contribute to their communities' economies, but they will also allow residents of northeast Nebraska to stay in their communities without having to make a choice between the rural communities that they love and access to quality healthcare. I appreciate the opportunity to be before you this afternoon. Thank you very much. [LB37]

SENATOR HEIDEMANN: Thank you for coming and testifying today, Mayor. Are there any questions? Seeing none, thank you. [LB37]

SUE FUCHTMAN: Thank you. [LB37]

MEGAN PROMES: Good afternoon, Chairman Heidemann and the members of the Appropriations Committee. My name is Megan Promes, P-r-o-m-e-s, and I'm a senior at Norfolk Catholic High School in Norfolk, Nebraska. Thank you for the opportunity for me to be here today. Mayor Fuchtman and Senator Flood invited me to come and testify. I've grown up in Norfolk and love my hometown and its wonderful, friendly people. I will be graduating from Norfolk Catholic High School in May and I am pursuing a career in nursing. I have recently job shadowed at Faith Regional in the ER and I was very pleased with the faculty and how everything worked. I set this goal for myself a couple years ago and now to think I'm able to do so in my hometown is an awesome thing. As

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our hospital in Norfolk grows and needs additional health professions, it would be a great opportunity for me, our city, and all of northeast Nebraska to have a top-notch nursing college to go hand in hand with our area's top-notch medical faculties. When I began looking as to where I would attend college for nursing, I had the choice of either going to Lincoln or Omaha. Now having a college in my hometown will allow me to be able to afford a great education, live at home, and still keep my part-time job at U-Save Pharmacy, where I have worked for over a year. That is very important to me. To move to a new city, join hundreds of people now looking for work and find something of what I now have in the medical field seems pretty difficult in these times. Our local leaders are working hard to keep young people close to home after high school graduation and, as well, bring young people back home. I have watched people in northeast Nebraska make the commitment to get this college built. I now have a dream of becoming one of the first students to graduate from the College of Nursing in Norfolk, Nebraska. I need you to make a commitment to help me make my dream come true. Thank you. [LB37]

SENATOR HEIDEMANN: Out of curiosity, your plans after graduation? (Laughter) [LB37]

MEGAN PROMES: Are to go to Northeast to get my generals done and then hopefully go to the nursing program. [LB37]

SENATOR HEIDEMANN: Right, after the graduation of the nursing program, if this comes to fruition. Staying...? [LB37]

MEGAN PROMES: To stay in the Norfolk region. [LB37]

SENATOR HEIDEMANN: That's...I was trying to get that from your testimony but I didn't. [LB37]

MEGAN PROMES: (Laugh) [LB37]

SENATOR HEIDEMANN: Senator Nantkes. [LB37]

SENATOR NANTKES: Hi. Thank you, Miss Promes. Am I pronouncing your name correctly? [LB37]

MEGAN PROMES: Yeah. [LB37]

SENATOR NANTKES: Well, thank you for coming down. It takes a lot of poise and courage to come and address your Legislature, particularly at your stage, but you did a fantastic job. And I was wondering, in addition to your well-stated career goals and objectives and educational objectives, has this project generated similar excitement amongst your peers or other people in your community? [LB37]

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MEGAN PROMES: Yes, it has. Actually, a lady I work with is also going into the same field as I am and she's very excited for this. She's taking generals out at Northeast right now and hoping to attend the college. [LB37]

SENATOR NANTKES: If...and just to follow up, if we were unable to support this project at this point in time, how would that change your career goals and objectives? [LB37]

MEGAN PROMES: I would still go for nursing but I would have to look elsewhere, which probably Omaha I would attend, so. [LB37]

SENATOR NANTKES: Okay. Thank you. [LB37]

SENATOR HEIDEMANN: Are there any other questions? Senator Harms. [LB37]

SENATOR HARMS: Thank you very much for coming. Your testimony was excellent. I just have one question I want to ask. When Senator Flood's seat is up, would you like to run for his seat? (Laughter) [LB37]

MEGAN PROMES: (Laugh) [LB37]

SENATOR FLOOD: You'll make more as a nurse. (Laughter) [LB37]

SENATOR HARMS: You're right. [LB37]

SENATOR HEIDEMANN: Are there any other questions? Thank you. [LB37]

MEGAN PROMES: Thank you. [LB37]

SENATOR HEIDEMANN: Is anyone else wishing to testify as a proponent on LB37? (See also Exhibits 9, 10, 11, and 12) Is anybody wishing to testify in opposition on LB37? Is anyone wishing to testify in the neutral capacity on LB37? Senator Flood still wishes to waive closing? [LB37]

SENATOR FLOOD: Thirty seconds? [LB37]

SENATOR HEIDEMANN: Thirty seconds. [LB37]

SENATOR FLOOD: In addition...thank you, Mr. Chair, members of the committee. In addition, today we have a number of folks here from the West Point area and the Beemer area. We have Mr. Wimmer from West Point. We have Mr. Scherer from Beemer. There's Paula Pflueger is here from Norfolk. She's an investment advisor. And then the owner of our beer distributor on the Budweiser site is here, Gary Blinn. I just

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want to acknowledge there are a lot of people from Norfolk that I think, out of respect for your time, came down today and chose not to testify. But the room is packed with people that support this project and we thank you for taking for the testimony. [LB37]

SENATOR HEIDEMANN: We appreciate that. Thank you. With that, we will close the public hearing on LB37. We will now open the public hearing on LB492. Senator Haar. [LB37]

SENATOR HAAR: So I come and everybody leaves, is that...? (Laughter) [LB492]

SENATOR NANTKES: Welcome to Appropriations. [LB492]

SENATOR HAAR: Thank you. Could I get something passed out? [LB492]

SENATOR HEIDEMANN: We have a page over here. I think he had something to be passed out. [LB492]

SENATOR HAAR: Two items. Thank you very much. [LB492]

SENATOR HEIDEMANN: Welcome. [LB492]

SENATOR HAAR: (Exhibits 3, 4) Thank you, Senator Heidemann, members of the committee. What I bring forward today is a spending bill and I'll be honest from the start, I don't suspect it's going to be passed, but I'd like to...I'd like to bring it up anyway. So we could start with this handout. I'm just going to give you a little bit of background. First of all, as you probably know, I'm very interested in wind energy and if you look at the map you can see that Nebraska is behind most of the states around it, especially lowa, for example, Minnesota, but yet we have more wind potential than either of those states. The second handout shows manufacturing jobs supported by states based on today's distribution, and this would mean that the number of jobs that we have today, and Nebraska again being ahead of the pack, really is not doing all that well. And this is a real brief background. The next one is just kind of interesting if you like machines and it shows what those big turbine heads look like and all the different parts, and the reason I bring this up is that if Nebraska reached its wind potential, we could be producing at least some of these parts, and the next page shows all the various things that go into that turbine head. And then the next one that says transportation just picks out one kind of thing showing the number of transportation jobs produced by wind energy. And the point I'm trying to make here is that if we really developed wind energy, there's all kinds of economic development, all kinds of job development for the state of Nebraska. The one that says human resources and training shows the kinds of people that would need to be employed. Manufacturing jobs, which could be one of the biggest components of wind energy development, and we find, for example, with Lincoln Public Schools, as you may know, has a heat pump system now--they're going to have a ground source heat

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pump system in every school eventually--and one of the interesting sidelights of that is a Texas well drilling company now has an office in Lincoln to drill wells because there's so much well drilling activity going on. But you see manufacturing, design jobs, administration and support. Installation is a big one. Over the next 10 to 20 years, if Nebraska develops its resources, there are going to be a lot of construction jobs. Design, administrative, support, and that sort of...the last one, again, a sample wind manufacturing facility of 250 people, this shows the kind of salaries that would go into these kinds of jobs that we should be having in Nebraska right now: a machinist, \$40,000 a year; mechanical engineer, \$71,000; and so on. Well, and that brings me to the purpose of my bill. If Nebraska is going to be a leader in wind energy--and I think we'd all like to see that, the Governor has stated that, I'm certainly interested in that--one of the components where we need to be a leader as well is at the university level. And so the goal of the legislation that I'm introducing would be to provide transitional funding to allow UNL to hire three new faculty positions within the next two years who would work in areas most likely to contribute to the development of wind energy generation, capacity and infrastructure, and associated support industries in Nebraska. This initiative would allow the university to quickly establish research and teaching capacity in areas critical to the development of the science, technology, and training requirements to support the rapidly emerging wind energy industry. These positions must also be centered in disciplines that are competitive for external grant funding from the federal government, the private sector and so on; can contribute to teaching and enrichment of existing courses and the development of new courses that provide training and opportunities for students interested in the science, technology, and economics of wind energy systems. Funding would be provided sufficient for a recruitment of three new tenured and/or tenure track faculty positions to address the above issues. Funding would be provided over a period of six years, after which UNL would support these positions from its core state appropriated budget. Total funding of \$2.4 million would be provided in the first two years to cover the complete cost of recruitment, salaries, and startup for equipment, lab renovation, and support staff. Then for the next two years, \$.75 million, and in the third and fourth years \$.35 million, and after that the university would be expected to simply absorb them into their regular faculty. To identify the highest priorities for the types of faculty positions to be recruited, UNL would engage an ad hoc committee of external reviewers representing the key discipline areas, including the biophysical, as well as social sciences, to really find out and identify how the university could make an impact in this area and become a leader. Members of this panel should be highly regarded academics who are recognized as leaders in wind energy and research, as well as some local business leader and so on. The committee would meet with university administrators, college deans, and department heads, state legislators, and industrial professors during their review and the cost is included in the first two years of the appropriation. Again, another handout that I passed out shows a study that was done in...it's now almost two years old. It was done in 2007, but the university has actually started looking at this sort of thing and, as you see from the first page of the two-page handout that's stapled, they're saying that

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there are actually many people around the university who could contribute to energy-related topics. However, strategic coordination needs improvement. There's significant opportunities to leverage synergies among departments, colleges, centers, and institutes. And in addition, there are critical gaps in expertise. This particular one in this study--and if anybody is interested, I can get you the full study--but there were seven areas they looked at and the one that interests me the most is the one called...on the second page, twenty-first century power generating systems. And again, what they tried to look at is to see what it would take to make Nebraska a leader in this field and, as you can see at the bottom of this page, here are some of the expertise that could be considered in such a faculty: hydrogen production from wind sources, microbial fuel cells, etcetera, etcetera, battery technology, hydrogen storage, nanostructures for fuel storage. There's a lot going on now with battery development around nanostructures. Again, I realize that probably this year is no time to be asking for an additional \$2.5 million appropriation, but if we in Nebraska are going to become leaders not only in wind production but also in the production of wind components, turbines and all those kinds of things, an important part of this will be thinking of how we can make the university a leader in this field as well. And frankly, I was kind of surprised at the cost (laugh) of getting a program like this started, but I think it's interesting to look at and this is something we can be pursuing as economic times get a little bit better. Yes. [LB492]

SENATOR HEIDEMANN: Senator Nelson. [LB492]

SENATOR NELSON: Thank you, Senator Haar. You hit the point right here that I'm interested in. I'm looking at the fiscal note and... [LB492]

SENATOR HAAR: You bet. [LB492]

SENATOR NELSON: ...I think \$2.4 million in the first biennium is just kind of a

staggering figure. [LB492]

SENATOR HAAR: Uh-huh. [LB492]

SENATOR NELSON: And if you figure, you know, the three faculty positions might run around \$375,000, \$400,000, why would it take \$2 million to get this underway initially if you have space at the university and some facilities and things like that? [LB492]

SENATOR HAAR: Right. Right. [LB492]

SENATOR NELSON: Could you go into a little more detail? [LB492]

SENATOR HAAR: Yes. And as you notice at the bottom, university said, oh, this is probably a little high. And what we did in these estimates was to say, okay, if you had to set up the facilities, you know, that you decided on the kind of staff you needed to have

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required new laboratories and that sort of thing, and also the recruitment of this staff. That's why the high cost in the first... [LB492]

SENATOR NELSON: What do you anticipate, you know, a panel...a recruiter would cost to...do you have any figure there? [LB492]

SENATOR HAAR: No, I really don't have this broken down. This was an estimate of the Fiscal Office and, again, the university said, oh, this is probably higher than it would need to be, again realizing that I can almost predict this will not go through this year. This is something I will look at really carefully over the summer and see what more detail on what it would take to develop this sort of thing. [LB492]

SENATOR NELSON: Okay. Thank you. [LB492]

SENATOR HAAR: You bet. [LB492]

SENATOR HEIDEMANN: Senator Fulton. [LB492]

SENATOR FULTON: Thanks, Senator Haar. [LB492]

SENATOR HAAR: You bet. [LB492]

SENATOR FULTON: Have you investigated with staff, how do I say, for instance, I'll

give an example,... [LB492]

SENATOR HAAR: Sure. [LB492]

SENATOR FULTON: ...within the engineering college? I think there probably are professors there who have some...well, I know who have expertise in, you know, in turbines, whether that be wind turbines or combustion gas turbines or what have you. But have you investigated with faculty existing now as to whether or not at least a beginning could be embarked upon that would meet the intention of the bill? [LB492]

SENATOR HAAR: Uh-huh. Yes, and, for example, the leader, as you notice on this page of this study I handed out, Jerry Hudgins, head of the electrical engineering department, and he and I have sat down and talked about the various components. I think the thing about this that...and, again, I'm pleading the ignorance of a new senator with limited time to get stuff together, and the sort of research I will do during the interim, but to actually sit down and identify specific staff members with strengths and then see where we have to plug the holes. And again, if any of you would like this complete study, I can get it for you and in all of the other sections they do exactly that. They say who are the current staff members, what do they have, and then where would we have to fill in the gaps with those current staff members. Part of the program, too, I

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believe is going to be to draw our resources in a way that you can have an identifiable program. We see other states, such as Wyoming and Colorado, announcing, for example, the wind energy lab in Wyoming. Well, I'm sure they didn't start from scratch. They drew other resources together that they could call their wind energy laboratory. And I think that will be an interesting challenge for us. [LB492]

SENATOR HEIDEMANN: Senator Harms. [LB492]

SENATOR HARMS: Thank you very much, Senator Haar. You know, there are a couple other problems with wind energy that we're going to have to resolve. One is eminent domain and the other is transferring the power, having the lines to be able to transfer this power out of this state or around the state. The last projection I looked at, transferring of the power is about \$500 million, and we have to find a solution to that particular issue and I was hoping that maybe, as we look at the stimulus package, there might be an opportunity there that we can capture some of that to be able to get Nebraska prepared. Because we could put this program in, but where you're going to run into difficulty will be getting the power out of here. And the other side of it is that the public power districts have eminent domain which they have the authority to come in and take over what we've already established, and so investors are walking away from this and saying that they don't want to take the risk. Because they can put it together and have all...take all the time and the effort and then all of a sudden use eminent domain and give us fair value for our product, then take it over. And I know that Senator Lathrop has, I think, a bill that's coming up... [LB492]

SENATOR HAAR: You bet, uh-huh. [LB492]

SENATOR HARMS: ...that will address that issue. But those are two obstacles I think we have to look at carefully and, if we really have an interest in this, we need to start looking at how we're going to deal with this power, how we're going to transfer it out of here, because that transferring out is expensive. [LB492]

SENATOR HAAR: Well, my first solution is probably to get a really good printer and start printing money. (Laugh) I don't think that one is going to work. But it's a great segue and since you asked the question, I am preparing right now, it's going to be a bill that we're going to...the Natural Resources Committee is going to turn it into a resolution where we've been meeting with public power and we've identified seven areas that need to be studied. One is eminent domain. Another huge one, of course, is transmission. Another interesting one will be once we have these kind of generation facilities, how can we tax them appropriately so that communities get extended, you know, tax benefits and so on. So you will be seeing a resolution some time within the next two weeks from the Natural Resources Committee. And I believe it's, talking to Senator Langemeier now, the Chair of the committee, that probably the committee will take that on as a study and try to complete it before the next session. And then a next

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step after that is going to be to actually try to produce transmission maps and those kinds of things. A really important part of that process will be getting all the players to the table, because when you start talking about things like transmission, you've got to get county officials there, you've got to get city officials, landowners, all those people who would be stakeholders. So I think you're going to see some very nice things coming out of the Natural Resources Committee to address the issues which you identified. [LB492]

SENATOR HEIDEMANN: Senator Hansen. [LB492]

SENATOR HANSEN: Thank you, Senator Haar, for bringing this before us. On your handout with the map on the front... [LB492]

SENATOR HAAR: Yes. [LB492]

SENATOR HANSEN: ...and your exploded view of the main turbine components,...

[LB492]

SENATOR HAAR: Yes. [LB492]

SENATOR HANSEN: ...has anyone ever addressed putting that on the ground rather than up in the air where it takes such a big crane to get it up and down, and to have just a one-to-one gear box do the generation on the ground rather than up high? And the one reason is the size of the tower and then secondly is the reason that I live next to Highway 83 and I see those blades going both directions. Well, I asked someone, why do we see that, and it's the Ainsworth facility is already having trouble with their blades cracking or I don't know what all they're having. But would it help to get that much weight on the ground rather than up in the air? [LB492]

SENATOR HAAR: Well, the reason for putting the actual turbine up in the air is because the wind speed is much more reliable and it's faster the higher you go. So for those who design turbines, the trade-off is that you really need them as high as you can get them to catch the wind. [LB492]

SENATOR HANSEN: The blades. [LB492]

SENATOR HAAR: Yeah, the blades. [LB492]

SENATOR HANSEN: The blades would be as high as they are now but, with the one-to-one gear box, you go down, just drive that shaft down and do the generation on the ground. [LB492]

SENATOR HAAR: A chain drive or something, yeah, yeah. [LB492]

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SENATOR HANSEN: And it would take more than half of the weight off that. It's just something I've seen and noticed. I've grown up around windmills all my life so...and I know the bigger they are, the harder they...harder it takes the wind to blow and, you know, we're just pumping water, so. [LB492]

SENATOR HAAR: You bet. Well, the technology is really going ahead quickly and if you look at some of the magazines where they talk about this, the next generation will probably eliminate all the gears and it's just going to be a direct drive so you'll have huge magnets connected to the propeller, eliminating the various gear boxes. So those are actually under production. The blade problem in Ainsworth, yes, they've experienced some design problems and that all is a work in progress, frankly. You know, as the years go by, things are going to get much more reliable. Right now, the blades, to save weight, part of them are made out of balsa wood coated with fiberglass (laugh), you know, and things like that to get the weight down, so...but the technologies are going fast very quickly because wind is one of the fastest growing areas of energy development in the United States right now. And of course, the more demand there is, the more research will be put into it and so forth. [LB492]

SENATOR HANSEN: Thank you. [LB492]

SENATOR HAAR: Yeah. But interesting engineering problems. [LB492]

SENATOR HEIDEMANN: Are there any other questions? Seeing none... [LB492]

SENATOR HAAR: Well, thank you for your interest and this is something we'll be hearing a lot more about as the years go by. [LB492]

SENATOR HEIDEMANN: You bet. [LB492]

SENATOR HAAR: Thanks so much. [LB492]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in support of LB492? Welcome. [LB492]

MITCH PAINE: (Exhibit 5) Thank you, Senator Heidemann, members of the committee. My name is Mitch Paine, M-i-t-c-h P-a-i-n-e, and I am with UNL at the University of Nebraska-Lincoln Roots and Shoots, and UNL Roots and Shoots is a group of passionate youth dedicated to promoting and taking action on environmental issues in the community. As we represent the movement for youth, through the vision of Dr. Jane Goodall, we find it important that the needs of future generations are accounted for in the policies set forth by this Legislature. And we see one of those needs as a better source of energy production and better energy usage. Old solar includes

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emissions-laden petroleum, coal, and other fossil fuels, whereas new solar includes wind, photovoltaic solar, and thermal solar power. Providing these sources of energy will be the best for future generations and UNL Roots and Shoots believes that policies to do so are important. As the senator talked about, Nebraska does have a lot of potential for renewable energy, specifically wind, and this bill does a good job at starting to examine those infrastructure that need to be in place for that. And with recent trends towards sustainability, both on UNL campus and in our community, UNL Roots and Shoots believes that providing three wind energy positions at UNL will enhance the movement towards renewable energy generation in Nebraska and will provide students the skills and opportunities necessary to become experts in energy science and policy. In essence, it will create a knowledge infrastructure upon which renewable energy industry can build. Our campus has been taking great strides toward sustainability. President Milliken recently mandated that all new construction and renovation projects must be designed to LEED certification standards. The chancellor's Commission on Sustainability recently formed to examine measures toward campus sustainability. New and existing majors and minors with a focus on the environment are becoming popular, from environmental studies to environmental economics and energy sciences. Energy sciences is a multidisciplinary minor in which Dr. Hudgins, who Senator Fulton mentioned earlier, is a professor, and this multidisciplinary minor, students must take energy sciences and energy economics and the environment course, and an energy in perspective course, as well as three more upper levels courses in energy policy. Faculty members include engineers, deans, economists, and graduate students. Inclusion of three positions devoted specifically to wind energy would enhance this program, provide further courses, provide summer internships that would combat seasonal brain drain, and improve the University of Nebraska's reputation as a leader in progressive issues nationwide. When considering brain drain out of Nebraska of college-educated young people, including the members of UNL Roots and Shoots, more opportunities within the state, especially within technical fields, will promote the retention of graduates from Nebraska's universities and colleges. According to the U.S. Census Bureau, Nebraska ranks tenth in terms of brain drain. Improving the development of wind energy within the state will reduce this outmigration of young people. By funding university research in wind energy and economics, wind companies will begin to locate here. This will provide jobs for new engineers, new economists like myself, new public servants, and new business people that will be employed by these Nebraska located companies. Numerous of our peer institutions, such as the University of Texas at El Paso, Texas Tech, Iowa Lakes Community College, and the University of Iowa have similar programs in renewable energy development that will provide the knowledge infrastructure that we so desperately need here in Nebraska. We acknowledge the financial burdens that this bill places on the Legislature, but for the goal of facilitating the retention of Nebraska's youth, providing jobs and revenue to the state, and supporting the expansion of renewable energy production in the state, UNL Roots and Shoots urges the Appropriations Committee to advance LB492 from committee and consider its implementation. Thank you. [LB492]

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SENATOR HEIDEMANN: Thanks, Mitch. Are there any questions? Senator Nelson. [LB492]

SENATOR NELSON: Is Roots and Shoots unique to the university here? Are you a national organization? [LB492]

MITCH PAINE: Yeah, Roots and Shoots is an international organization and we have a chapter here. We have about 20 students on campus. [LB492]

SENATOR NELSON: Twenty students? [LB492]

MITCH PAINE: Twenty students on campus. [LB492]

SENATOR NELSON: Well, thank you. Thank you. [LB492]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for

testifying today. [LB492]

MITCH PAINE: Thank you. [LB492]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB492?

Welcome. [LB492]

KEN WINSTON: Good afternoon, Senator Heidemann and members of the Appropriations Committee. My name is Ken Winston, last name spelled W-i-n-s-t-o-n, and I'm appearing on behalf of the Nebraska Chapter of the Sierra Club. Mitch is a hard act to follow so I don't think I can come close to his testimony, but I just wanted to state a few things, the reasons we're supporting LB492. Nebraska has enormous renewable energy potential. I wasn't here for Senator Haar's testimony but...so I don't know what all he talked about, but Nebraska is rated sixth in wind energy potential, ninth in solar energy potential. We also have tremendous biomass potential. Nebraska is a state that has tremendous energy potential for the twenty-first century. There's huge opportunities here for the state of Nebraska, but in order to develop that we not only need the physical infrastructure, we need the intellectual infrastructure, and that's what LB492 is about, is to create that intellectual infrastructure so that this can be developed, so that people will learn how the techniques and are able to ... so that we're able to develop this potential in a way that we can use it. Now one of the things that...while we're talking about these things, if you look at ratings and what we've actually developed in terms of, for example, in wind potential, of the 24 states that have developed considerable amounts of wind, Nebraska is currently 24th, which means that we're bringing up the back of the pack in terms of our energy development. So it's time for us to get going. It's time for us to start developing that potential. And there's a number of bills, I think

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someone told me that 16 of the legislators have introduced energy-related legislation this session, which means that one-third of the Legislature has introduced a bill dealing with energy in one form or another this session. So there's a lot of interest in trying to do something about this. But we need, while we're doing this, we need to make sure that not only are we looking at what we have today and the technology that we have today but how can we develop that. How can we stay on the cutting edge? How can we create the new cutting edge? Now there's a lot of things that have changed in the world in the last 20 years. I remember 20 years ago a cell phone was a novelty and they were a big clunky things and all they were, were phones, and all you could do on it was talk, and it was a big, expensive thing. It was a perk that rich people had. I remember there was a skit on the sine die party about...because Walt Radcliffe was one of the few people that had one, and now everybody has got one and so...and not only is it something that you can talk on but you can also check the stock market on and get your e-mail on and all sorts of...watch TV on, download tunes on. So there's all sorts of things that have developed just in the way of computers and cell phone technology. And similarly, there's opportunities in energy and the people who take advantage of those are going to be the people who lead the way in terms of the twenty-first century. One of the other things that I want to mention is the fact that the Obama administration has made energy issues the focal point or one of the focal points of economic recovery. So if we're going to be involved in that, if we're going to take advantage of that, we also need to be plugged into the methods of making use of those resources that we have in the state. So we believe that LB492 provides an important tool for economic development in the state of Nebraska and we would ask that LB492 be advanced. Thank you. [LB492]

SENATOR HEIDEMANN: Thank you, Ken. Are there any questions? Seeing none, thank you. [LB492]

KEN WINSTON: Thank you. [LB492]

SENATOR HEIDEMANN: Is anyone else wishing to testify in favor of LB492? Is anyone wishing to testify in opposition to LB492? (See also Exhibit 13) Does anyone wish to testify in the neutral position on LB492? Seeing none, would Senator Haar like to close? [LB492]

SENATOR HAAR: Well, thanks again for listening and for asking the good questions. I want to tell you real quickly about Mitch Paine. He's an amazing young man. He's a graduate of Lincoln Zoo School and he's created symphonies and so on and so forth, and at one point he met Jane Goodall, who was at Doane College for a meeting, and came away enthused and an active member of Roots and Shoots. And so having Mitch be interested in this area just, you know, I just hope there's every opportunity for young people like Mitch to stay in Nebraska. Once again, you've asked some good questions, too, and we'll be doing research, coming back with this proposal, hopefully at a better economic time. And my concern again is expressed well by Ken Winston in terms of

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how do we put into place an intellectual structure that helps make Nebraska a leader in this field? Thank you very much. [LB492]

SENATOR HEIDEMANN: Thank you, Senator Haar. With that, we will close the public hearing on LB492. And we will open up the public hearing on LB454. Senator Lathrop. Welcome. [LB492]

SENATOR LATHROP: Okay. Good afternoon, Mr. Chairman and members of the Appropriations Committee. My name is Steve Lathrop, L-a-t-h-r-o-p. I'm the state senator from District 12 up in Omaha, in the Ralston area. I'm here today to introduce LB454. Last session I appeared before the Appropriations Committee and requested \$440,000 in General Funds for the Nebraska Poison Control Center. The committee responded by directing that \$200,000 be provided to the center through the Nebraska Health Care Cash Fund. I now appear before you with LB454, a bill that requests that the committee provide an additional \$200,000 to the center from that cash fund. The Nebraska Poison Control Center is a program that provides tremendous benefits for the entire state. You'll hear more about those benefits by those who follow me. However, the funding sources for the center have changed over the past few years and it has increased its reliance on the Nebraska Medical Center and the University of Nebraska. As a result of budgetary pressures, the Med Center has made the difficult decision to end their support, or at least is considering that at this point in time, and I think you'll hear about that momentarily, and it is very important that the state of Nebraska step forward and continue the funding for this important program. LB454 is an important step in that direction and one that will guarantee the continued operation of the Poison Control Center. From those who will follow me, you'll hear the role of the Poison Control Center. It is very important and it's been picked up by different hospitals and let go as a project, and I believe it's now affiliated with the Med Center and they need some help and we'd appreciate any help you can provide in funding this important program. [LB454]

SENATOR HEIDEMANN: Thank you for coming in today. Are there any questions? Who brought this to you, out of curiosity? [LB454]

SENATOR LATHROP: Well, the lobbyist or the...I think it comes from the university, I believe. [LB454]

SENATOR HEIDEMANN: University? I remember... [LB454]

SENATOR LATHROP: They need some help, I think. And it's my understanding, you'll have somebody come up here and tell you the history of this, but I think it was at the Children's Hospital and it was at a few different places and then landed at the Med Center. And we were going to get some help from some of the other hospitals and I don't think that's been forthcoming, and so... [LB454]

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SENATOR HEIDEMANN: That's kind of what we had understood last year, I believe, that there was going to be kind of a collaborative effort. And... [LB454]

SENATOR LATHROP: I think that's because that's the impression we left you with or that's what we told you we would try to do, and it's my understanding that people are working on that collaborative effort and not getting much response. And before I misrepresent what's actually going on, maybe I'll turn it over to somebody who has been in the middle of that discussion. [LB454]

SENATOR HEIDEMANN: All right. Thank you. Are there any other questions? Seeing none, thank you. [LB454]

SENATOR LATHROP: Thanks. [LB454]

WALTER RADCLIFFE: Senator Heidemann and members of the Appropriations Committee, my name is Walter Radcliffe, W-a-I-t-e-r R-a-d-c-I-i-f-f-e. I'm appearing before you today as a registered lobbyist on behalf of the Nebraska Medical Center. That's where the bill came from, first of all, Senator Heidemann. [LB454]

SENATOR HEIDEMANN: Thank you. [LB454]

WALTER RADCLIFFE: And what I would like to testify to before the committee today is some of the history that you referred to because I think that's ... I really think that's one of the most essential things that you need to understand or that I think is important. And there will be some people who will follow me who can talk about the Poison Center and about some more specific things related to that. But going back in time to, gosh, last year, the year before, Senator...well, actually, it was the year before, Senator Lathrop introduced a bill at the beginning or this time two years ago to fund...to get General Fund dollars for the Poison Control Center. And for those of you who aren't familiar with the Poison Control Center, just bear with me a few minutes. Assume that you are, because somebody will come and explain that. I could, but I think it's more important that you at least get the history of the funding. Anyway, the request was made for I believe it was \$400,000 a year for the Poison Control Center from General Fund dollars. That was the presentation that was made to the Appropriations Committee at that time. Also during that presentation, it was represented to the committee that it was the intention of the Poison Control Center and hospital to seek and hopefully to get other funding and other participation from other hospitals in Nebraska. Therefore, as Senator Lathrop indicated, the Poison Control Center was principally supported up till about 2003 by three hospitals: Children's, Creighton, and the Medical Center. Children's dropped out in 2003, I think it was, Creighton dropped out shortly thereafter, and then the Nebraska Medical Center was carrying the burden. That's when they came to you, asked for \$400,000 General Fund annually. After the hearing there were conversations

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and Senator Heidemann and I discussed various options. We discussed it with Fiscal and two general conclusions were reached, which results in the existing law today. One was that we would seek less than \$400,000; secondly, that we would seek it from something other than the General Fund. So, therefore, the Health Care Trust Fund was utilized for \$200,000 a year. Again, at that time representation was made that we would seek funding from other sources but primarily, primarily from hospitals, and that was the representation. So we got the \$200,000. The Poison Center continued to operate. And this last summer the hospital contacted me and wanted to discuss coming back for additional funding. We had a meeting...I'm probably telling you more than you want to know but I...it's not going to take me that long and I think there's some benefit to your having this background. We had a meeting in...was either late September, early October up in Omaha, and when I say "we," it was people from the Med Center, people from the hospital and myself. Glenn Fosdick is the administrator of the hospital and Mr. Fosdick is also...was and is also the president of the Nebraska Hospital Association. I don't know if Glenn...I think he still is. I don't know when his term runs out. But at that time, we continued to indicate that approaches would be made to the hospitals relative to coming up with some funding and we corresponded back and forth, by e-mail and phone, really for the balance of 2008. And at the close of 2008 there was still nothing definite with regard to any funding forthcoming from the hospital, so after the session started--I think it was probably about the middle part of that...about the middle part of that second week of the session, probably around the 14th, 13th, 14th, 15th of January--I was contacted and asked to at least get a bill introduced, drafted and introduced and that we should know something about what the hospitals were going to do with regards to funding before a hearing date. Well, the good news is this is the hearing date and we know something. The bad news is, the news isn't very good. But hospitals have been asked to contribute to the funding and they have declined. I think, frankly, a lot of the reason is the same thing you're all wrestling with, which is just the availability, the availability of money. So that put us in a situation of coming here today and the witnesses that follow me, and there are only going to be three and they will be brief, but two of them want to tell you what has been happening and what is going on with the Poison Center. For some of you it will be a little bit redundant. For some of you it will be new. And I think there's some benefit to (A) refreshing some recollections and (B) at least letting those of you who aren't familiar with it know what it is, not just what it does, I think you can all guess what it does, but the magnitude of what it does and then also for you to hear what the plans are for it from the individuals who are working there. I hope, I certainly haven't tried to overlook anything as far as the background, Senator Heidemann, with this committee. That's the best of my recollection and I'd welcome any questions or clarifications from you or anybody else. [LB454]

SENATOR HEIDEMANN: I actually appreciate the background because this was brought for us last year and you and I worked extensively on this. It's something that I actually support very much and it is a valuable tool to a lot of hospitals around. I will say, I've got a lot of phone calls on this after we did this. So I support this. I mean the

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question I would have is probably there is concern with the sustainability of the Health Care Cash Fund. Are you aware of that? [LB454]

WALTER RADCLIFFE: Senator, I am aware of it and to be just as blunt as I usually am, every time we talk about the Health Care Cash Fund there are concerns about the viability of the Health Care Cash Fund. Now I realize that given the downturn of the markets here that the projected revenue from the corpus is going to be down, okay? However, to my knowledge, there has been no invasion of the corpus, so what we're really talking about is what the return is going to be on what's there and how long that can go for. The last time we looked at it, I believe it was some time in the 2030s before we would have some problems. So, yes, I am aware of it. I have not seen any recent projections, and by "recent" I mean within the last 18 months, and prior to that we were okay. So that...the short answer, Senator, is, yes, I'm aware. [LB454]

SENATOR HEIDEMANN: All right. Thank you. I don't know if there's anything very recently but I have seen them probably as recently as a year ago, before the stock market... [LB454]

WALTER RADCLIFFE: And that, Senator, that may have been the ones that I saw as well, yes. [LB454]

SENATOR HEIDEMANN: Correct. I would have to think that it would...definitely would have had... [LB454]

WALTER RADCLIFFE: Well, it's not...it didn't get any better in the last year,... [LB454]

SENATOR HEIDEMANN: I would have to think (laugh)... [LB454]

WALTER RADCLIFFE: ...not unless they were invested in gold. [LB454]

SENATOR HEIDEMANN: Senator Fulton. [LB454]

SENATOR FULTON: Are there any hospitals participating monetarily? [LB454]

WALTER RADCLIFFE: Somebody can answer that more specifically, Senator, but my answer would be, no, other than... [LB454]

SENATOR FULTON: UNMC? [LB454]

WALTER RADCLIFFE: Yeah. Yeah. But I think some other people could answer that more specifically. [LB454]

SENATOR HEIDEMANN: Seeing no further questions, thank you. [LB454]

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WALTER RADCLIFFE: Okay. Thank you, Senator, and thank all of you. [LB454]

SENATOR HEIDEMANN: Welcome. [LB454]

KATHY JACOBITZ: (Exhibit 6) Thank you, Chairman Heidemann and members of the Appropriations Committee. My name is Kathy Jacobitz, K-a-t-h-y J-a-c-o-b-i-t-z. I'm the managing director of the Nebraska Regional Poison Center and thank you for the opportunity to speak to you today. Going to just share a little bit of information about the Poison Center. The Nebraska Regional Poison Center has been continuously operating since its establishment in 1957 and is the only Poison Center in Nebraska. We provide service to all of Nebraska, Wyoming, American Samoa, and the Federated States of Micronesia. We provide a 24-hour emergency telephone service that is staffed by nationally certified registered nurses and board certified physician toxicologists. And we provide assessment, triage, management, and the continuous monitoring of poisoned patients throughout Nebraska. Our Poison Center's medical toxicologist, in addition to the telephone support that we provide, our medical toxicologist also provide bedside care for seriously poisoned patients in the Omaha area and many of these patients are transferred from other Nebraska cities so that they can receive the specialized care. We provide professional education statewide to healthcare professionals so that they can have up-to-date information on how to manage poisonings, in addition to the resource of calling us. We also perform real-time data collection providing surveillance in statewide emergency preparedness and response for disasters, including chemical, biological, and radiological incidents. In 2008, our Poison Center handled over 40,000 calls and nearly 29,000 of those calls were from Nebraskans. Fifty-three percent of the Nebraska calls came from outside of the Omaha area. And in addition, our Poison Center staff made over 20,000 follow-up calls to provide advice regarding the continuing care of poisoned Nebraskans. The vast majority of the poisonings do involve children. Fifty-seven percent of poisonings involve children less than six years of age, and then when you add in the older children, adolescents, it goes up to 70 percent that involve children. However, the Poison Center also helps adults as well. So our Poison Center saves lives by immediately assessing poisoning risk and then triages patients to the most appropriate care facility. We are available on a 24/7 basis, free of charge to everyone in Nebraska. Eighteen percent of our calls originate from healthcare providers and this is primarily emergency department physicians and nurses who rely on us to provide them with immediate up-to-date treatment advice for their poisoned patients. Our Poison Center saves medical costs associated with treatment of poisoning by eliminating needless visits to emergency departments, physician offices, and urgent care centers. Seventy-four percent of poisonings in Nebraska are managed at home safely with Poison Center advice and follow-up. So for the most part, we are in the business of keeping people out of the hospital whenever possible. We did some calculations and in 2008 we estimated that we saved at least \$16 million in avoided healthcare costs because over 13,000 Nebraskans with known or suspected toxic

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exposures did not need to seek emergency department care, and this estimate does not incorporate savings resulting from our poison prevention efforts. We have an extensive public education program, also increased efficiency in medical management of poisonings, and reductions in ambulance and inpatient care utilization. Studies have shown that inpatient care is more efficient when poison centers are involved in that care. Poison centers are second only to childhood immunizations in their ability to provide cost avoidance in public healthcare, and national studies, numerous studies estimate that for every \$1 spent on poison centers, at least \$7 is saved in avoided healthcare costs. The vast majority of U.S. poison centers received state support and, according to a 2004 survey, state sources fund over 50 percent of all poison centers' combined expenses. And I would like to also just briefly tell you about Tedd Merrill who is here, volunteered to come today. Tedd, when he was 2 years old, so about 16 years ago, ingested a massive amount of iron. His grandmother called us, called the Poison Center, and our staff recognized that this was a potentially life-threatening incident. We referred him immediately to an Omaha area hospital and he became very ill. He is, in my opinion, a walking medical miracle. I think he still holds a record for having the highest blood iron level and having survived. We were very involved with his care through our toxicologist. As a matter of fact, it was an international effort. Our toxicologist in our center talked to a toxicologist in Canada who was world renown in treating iron poisonings and I do believe, through that intervention, we saved his life. He's here because of the intervention of the Poison Center. And he would like to say hello and speak to you briefly. But thank you for your time. Do you have any questions for me? [LB454]

SENATOR HEIDEMANN: Senator Fulton. [LB454]

SENATOR FULTON: Yeah. Thank you. A couple of questions: Number one, can you explain how Wyoming, American Samoa, and the Federated States of Micronesia are involved? [LB454]

KATHY JACOBITZ: Sure. [LB454]

SENATOR FULTON: And secondly, are they paying anything? [LB454]

KATHY JACOBITZ: Yes. Very good questions. Thank you for those questions. We have been...we've contracted with the state of Wyoming for the past 17 years to provide Poison Center services and they do pay us. We have a contract with them and, in addition, in 2001 HRSA provided some federal funds for poison centers and they are population-based and allocated based upon state population. And so we receive not only funds through the contract, but we receive additional HRSA funds for providing services to the state of Wyoming, and that's actually been helpful for us because we have been able to actually achieve some economies of scale. Wyoming's population and the islands, American Samoa and Federated States of Micronesia, are small

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enough that we could handle those areas and not have to take on additional staff. And so, really, we don't incur costs for that. We would have to have a certain number of base operation of staff for a 24-hour department. So that's how we developed. Wyoming had their own poison center years ago but they're such a small state that they closed probably 20 years ago. They contracted with another poison center until 17 years ago when they contracted with us. With American Samoa and the Federated States of Micronesia, HRSA decided in 2004 that they wanted to add service to some of the U.S. territories, such as those two and the U.S. Virgin Islands and Guam, and we decided to go for them. There was some funding involved. There was \$30,000, a territory per year, and again, we did not incur any costs other than some little, you know, minimal long distance expenses and so forth. And so we have...it was a way of bringing in some additional income for our Poison Center, and we pursue various avenues in order to, you know, get some additional funding for the center. [LB454]

SENATOR FULTON: Can I...just a follow-up. Have... [LB454]

KATHY JACOBITZ: Sure. [LB454]

SENATOR FULTON: ...the contractual relationship that you have with Wyoming, has that been broached with regard to hospitals that utilize the service here in Nebraska? I mean how much of that...it seems to me that if it's a service that's...I mean there's quite a few incidents of use here on the part of our hospitals. If there's a service, they ought to pay for it. Has that been broached in the same fashion that Nebraska has provided service to Wyoming? [LB454]

KATHY JACOBITZ: Has it been broached with the Wyoming hospitals or just... [LB454]

SENATOR FULTON: No, with the Nebraska hospitals. [LB454]

KATHY JACOBITZ: Oh. Yes, and there are various models that various poison centers have used to approach hospitals. Some call it member hospital programs where primarily it's voluntary where hospitals pay in to support the poison centers or possibly can be billed for those services. And those are some of the things that, you know, we've had some discussions with the hospitals and the Hospital Association on recently, but to date, you know, we are going to continue with that, but to date that has not been accomplished in Nebraska. [LB454]

SENATOR FULTON: So have...you've billed but you haven't been paid. [LB454]

KATHY JACOBITZ: We have not billed yet. We have... [LB454]

SENATOR FULTON: Okay. [LB454]

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KATHY JACOBITZ: ...taken the approach of talking with the Hospital Association about, you know, getting their support on this and going that route, and we're still working towards that. [LB454]

SENATOR HEIDEMANN: Senator Nelson. [LB454]

SENATOR NELSON: Thank you for your testimony. Just as a matter of interest, I would think if a small child ingested poison, that the parents' first reaction or response would be to call their doctor or a hospital, unless you're well known. If they make those calls then are they immediately referred to you on a lot of those occasions? [LB454]

KATHY JACOBITZ: Yes, they are, Senator. The vast majority of the physicians' offices, for instance, they will immediately forward...transfer those calls to the Poison Center because we're able to immediately provide that information and, as I'm sure you realize, minutes count in a poisoning, same with the hospitals. If somebody calls their own local hospital emergency department, you know, they don't immediately have the resources to handle those, you know, possibly and so they routinely will forward those calls or give out our number again so that we can immediately provide that information, same with 911 service on a daily basis. You know, sometimes people don't know to call the Poison Center so they call 911 and those calls are forwarded or conferenced into us immediately. So I think through educational efforts, you know, I certainly know all of the healthcare providers in the state are very attuned to the fact that, you know, they need to get the Poison Center involved right away. [LB454]

SENATOR NELSON: Do you think the unwillingness of these hospitals to participate in the cost is due to economics or other reasons? [LB454]

KATHY JACOBITZ: I do. I believe it's economics in that we receive many calls from the hospitals. If we refer a child or an adult, for that matter, into the hospital, we call the hospital and we offer them our treatment recommendations and the vast majority of the time they accept those recommendations and follow those. If we aren't aware of the poisoning and the patient self-refers or gets taken in by the rescue squad, the hospitals pick up the phone. The nurses and physicians call us for advice. And so I believe we have a good working relationship with those hospitals. I believe they feel that we're a valuable resource to them. [LB454]

SENATOR NELSON: Well, you are and you provide a great service, but it seems to me they would be willing to help out a little bit then because of what you provide them, so. [LB454]

KATHY JACOBITZ: Thank you. [LB454]

SENATOR HEIDEMANN: Senator Wightman. [LB454]

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SENATOR WIGHTMAN: Thank you, Kathy. Very good information. I guess I need to know a little bit about the Poison Control Center. You're staffed around the clock, obviously. [LB454]

KATHY JACOBITZ: Yes. [LB454]

SENATOR WIGHTMAN: How many...how many employees do you have? [LB454]

KATHY JACOBITZ: We have...for those that staff the phones, we have nine full-time equivalents. They're all registered nurses, specially trained in toxicology. The majority of our nurses have been there 15 years or longer. They have much expertise. They are required, in order to be a certified poison center, they must go through a national certification process and have passed a certification exam and keep that up every seven years. So around the clock, we have a minimum of two nurses that work during the day; two to three that work in the evening, evening is our busiest call volume time; and one that works all night so...and then, in addition, we have our public education nurse who is a half-time position who coordinates all of the education throughout the state. [LB454]

SENATOR WIGHTMAN: Thank you. Now you see this \$200,000 as being an ongoing expense, I would assume; that you have more expenses than this but that's what you're asking for standpoint of a contribution from the state. Is that correct? [LB454]

KATHY JACOBITZ: Yes, and Joe Graham, our Nebraska Medical Center's chief operating officer, is going to clarify that, too, and what they're specifically asking for. But, yes, we badly need the funds on a continuous basis in order to be able to continue to operate, so we need \$400,000 or more in order to be able to continue. [LB454]

SENATOR WIGHTMAN: For a biennium; \$200,000 a year, is that correct? [LB454]

KATHY JACOBITZ: We currently receive...we received, as of last year, \$200,000 per year. We're asking to increase that. The bill states it would be increased to \$400,000 per year and now that we don't have the income from the other hospitals, you know, our needs are even greater than that. But, yes, the bill states \$400,000 per year is what we're asking for. [LB454]

SENATOR WIGHTMAN: Now do you bill the other hospitals? [LB454]

KATHY JACOBITZ: We currently do not bill the hospitals. That's certainly something that we're considering. At this point, it's a free service to all hospitals and all consumers who call. [LB454]

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SENATOR WIGHTMAN: Thank you. [LB454]

KATHY JACOBITZ: Thank you. [LB454]

SENATOR HEIDEMANN: The Poison Center started in 2003-2004? [LB454]

KATHY JACOBITZ: The Poison Center started in 1957, but we were part of Children's Hospital until September of 2003. We were pretty much solely supported by Children's up until that time. And then Children's made the decision they could no longer support us, so at that point we went from being the Poison Center at Children's Hospital to the Nebraska Regional Poison Center and that's when our...we became a department of the Nebraska Medical Center. And so, rather than closing, you know, we were able to obtain these new funding sources through UNMC, the Nebraska Medical Center, originally through Creighton at that time and also through the state, originally the first year came up with \$500,000 in bioterrorism funds, so that we could stay open and continue operating. Since then, we no longer...Creighton supported us for the first two years, so 2004 and 2005, and then that funding has been discontinued and we have, you know, less funding coming in through bioterrorism and so our needs are greater for additional support. [LB454]

SENATOR HEIDEMANN: All right. Thank you. Are there any other questions? Seeing none, thank you. [LB454]

KATHY JACOBITZ: Okay. Thank you very much. [LB454]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB454? Welcome. [LB454]

TEDD MERRILL: Welcome. Thank you. Senator Heidemann, Appropriations Committee, my name is Tedd Merrill, T-e-d-d M-e-r-r-i-l-l. I was the patient Kathy was talking about a few years back. Yeah, I'm the...okay. Sorry, I'm not really prepared. I got this notice the last minute. [LB454]

SENATOR HEIDEMANN: Take a breath. It's not... [LB454]

TEDD MERRILL: Yeah, I just got...I got this on Sunday, so I just kind of had to throw a few things together and come down this morning. But, yeah, this Poison Control has been...it's an amazing program that has been done. And I mean, it seems like a lot, \$200,000, and they're wanting to increase that every year, but really it's not when you space out between having to pay the staff and everything so it...it's actually just a small amount, I would consider anyway. I mean I'm not...I'm just a college kid so any amount seems large to me. But a little bit about my case, I was...actually it's coming, the anniversary I guess you'd call it, would be coming up here on March 8. It was in 1992,

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so I was 22 months at the time, not two but close enough to it. So it's been a long time but, yeah, I was...my grandmother made the call and through the process that they have, they were able to contact the emergency services in my hometown and they were then able to send me to the First Methodist Hospital in Omaha and then I was transferred to Children's. And I did not realize that Children's had dropped this program until just recently, so that's kind of a little disheartening to me because without that program I would have passed away. There is no two ways about it. But...so I just come here, asking for you to consider this and strongly recommend it personally, but I'm a little biased I guess. (Laugh) But I guess that's really all I have to say. I mean there's...sorry. But I guess...do you...anybody have any guestions for me? [LB454]

SENATOR HEIDEMANN: Senator Wightman. [LB454]

SENATOR WIGHTMAN: Thank you for being here. [LB454]

TEDD MERRILL: Yes. [LB454]

SENATOR WIGHTMAN: I'd be biased, too, if it had saved my life. You did a great job.

[LB454]

TEDD MERRILL: Thank you. [LB454]

SENATOR HEIDEMANN: Senator Fulton. [LB454]

SENATOR FULTON: Where is your hometown? [LB454]

TEDD MERRILL: Plattsmouth, Nebraska, just south of Omaha. [LB454]

SENATOR FULTON: Blue Devils, very good. Thanks for being here today. [LB454]

TEDD MERRILL: Yes. [LB454]

SENATOR FULTON: You did well. Thank you. [LB454]

SENATOR HEIDEMANN: Thank you for testifying today. [LB454]

TEDD MERRILL: All right. [LB454]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB454? [LB454]

PHYLLIS DUTTON: Chairman Heidemann and the members of the Appropriations Committee, my name is Phyllis Dutton, P-h-y-l-l-i-s D-u-t-t-o-n, and I am a registered nurse and I am employed by Alegent Health and I actually work in their regulatory

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compliance department and my position title is community emergency preparedness liaison, but I'm also the coordinator of the Omaha Metropolitan Medical Response System, which is a multidisciplinary group of different agencies and organizations in the Omaha metropolitan area that would respond if we would have a major event to occur. One of our mission statements from our group has been that we want to be able to have the medical community as prepared as possible by working in partnership with the other agencies and organizations, and the Nebraska Regional Poison Control Center has been one of our partners for quite some time. The Nebraska Regional Poison Control Center is a vital resource for the state and also for any organization that would have to respond to a major chemical event in the Omaha area. I'm here today in support of this bill because I feel very strongly about the Poison Control Center and how they have helped in our community in the Omaha metropolitan area. Our OMMRS group has actually...works and represents five counties in Nebraska and two over in the lowa side. We work very closely with Douglas and Sarpy County, Dodge, Washington, and Saunders County in Nebraska, and Pottawattamie and Harrison in Iowa, and I work very closely with all the hospitals in those areas. As a nurse, I know that the hospitals, with their physicians and the nurses, that they rely completely on the Poison Control Center as to provide expert and advice to them and recommendations with their poisoned patients. The Poison Center nurses and physicians and their physician toxicologist are always available. They are there 24/7, every day of the week, to be able to assist us if we have something like this that would come into our facilities, and here in Nebraska, with the organophosphates and the pesticides that we have and with, as Kathy had mentioned earlier, with children who get into the cabinet and get poisoned, and the young gentleman had talked about his exposure when he was two years of age. They are very prominent in helping us in our community. In addition to the information that Kathy has already given to you when talking about how that they respond, by the telephone, to hospitals, to the nurses and physicians, they have also been a valuable community resource in the area of the medical response for disasters. The Poison Center has been an active part of the Omaha Metropolitan Medical Response System for the past ten years and they have been contributing to our group all that time, and I'd like to just share with you some of those contributions. First off, the Poison Control Center staff set up a hazardous material incident notification system for the area hospitals and for the health departments. They also provide an annual statewide assessment of medications available to treat victims of a biological, chemical, or radiological exposure, and also with influenza. They also make recommendations for the purchase of additional medications that we might need in our area to help with our first responders and our hospital people, as well as our citizens of our community. They assist in locating and transferring antidotes during chemical exposure and one of the things that they did, they put together a plan for how we would transport the cash that we have in Omaha to other areas in Nebraska, and especially thinking of the Lincoln area as well. We had an opportunity just recently to actually practice that and we found that that plan worked extremely well and we were able to get some medications brought down here in a very timely manner for being able to help the chemical exposed person.

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They have assisted with the development of training materials and provided training sessions for healthcare providers on the proper use of newly stockpiled antidotes, and I think about two different things when I think about this. We have in our area some Mark I kits that's been put on the...with the first responders and in the hospitals for chemical antidote. And because of the Poison Control Center's involvement, they have been able to train all of the EMS providers, the hospital providers on how to appropriately administer these particular Mark I kits and also to look at it not only from the adult standpoint but also from the pediatric standpoint. One other area that I think about when I think about what they have done with the training aspect is to working with the cyanide kits or the Cvanokits that we now have recently purchased for the emergency departments that would help with a cyanide poisoning. So they've done a lot of work in our area to actually assist us with the training for these types of situations. They assist the medical community with resources needed during a disaster by serving at our emergency operation center. When I started working with our OMMRS group, one of the things that I found out very quickly is that we had no representation down at the emergency operation center to help the medical community to make decisions of how and what we would do with supplies, equipment, pharmaceuticals, personnel, and etcetera, and we have developed a system in our area where we have an EOC medical table where healthcare professionals from all of the five major healthcare systems have been trained to report down there. We have Offutt Air Force Base, Veterans Administration as part of that table, Metro Area Transit, as well as some vendors that we would be able to get supplies from. And, of course, the Poison Control Center has been very, very active with that table to be able to transport medications that we have in cached off to other areas we they might need to be placed. In my position, I have also had the opportunity to work closely with the state Health Department and I know that the Poison Control Center also provides statewide coordination of stockpiled emergency medications. I know that most of you probably are aware that there are chem-packs, the chemical antidote, that are placed throughout the state of Nebraska and it's the Regional Poison Control Center that also helps with the coordination of that. They also handle the after-hours emergency calls for the state Health Department. The Poison Control Center provides many healthcare services on both professional...and to the professionals and to the public. They are a valuable statewide emergency service. If the Poison Control Center is not available for our state, our local area, or our medical personnel, it will really create a tremendous gap in providing timely and expert care for the poisoned patient and will also create a huge handicap in effectively planning for disasters. Thank you for the opportunity to testify on behalf of the Poison Control Center. Are there any questions? [LB454]

SENATOR HARMS: Thank you very much. Do you have any questions for Phyllis. Well, thank you very much for your testimony. [LB454]

PHYLLIS DUTTON: Thank you. [LB454]

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SENATOR HARMS: Do we have anybody else who would like to speak in favor? [LB454]

JOE GRAHAM: Thank you, members of the Appropriations Committee, for allowing us to testify today on behalf of the Poison Control Center. My name is Joe Graham, G-r-a-h-a-m. I'm the chief operating officer of the Nebraska Medical Center. That is the hospital that cohabitates the Med Center campus with UNMC. We are separate legal entities from the university so I want to clarify for the benefit of President Milliken, sitting in the back, that this is not a university request. This is a Nebraska Medical Center, a hospital, request that we come with you...for you today. I'm going to talk a little bit about the funding history because it's sort of a long and sad story, a difficult one. I can only speak to the history since the Nebraska...since the Nebraska Medical Center, at the request of Governor Mike Johanns, took over management of the center from Children's Hospital in 2003. You may recall the Children's Hospital had determined they could no longer financially support a Nebraska-based poison center. That first year of our involvement, the funding to cover the deficit program came from four sources: the state of Nebraska, Creighton University, the University of Nebraska, and the Nebraska Medical Center--the hospital. That year the Nebraska Medical Center and the University of Nebraska Medical Center's funding of the program was \$150,120 each. Over the past five years, Creighton University has ceased funding for the Poison Control Center altogether. The state of Nebraska has reduced its funding from that first year level of \$500,000. That has left the Nebraska Medical Center and the University of Nebraska with an increasing burden of funding the center from its initial year's \$150,000 to a high in 2007 of \$439,201 each. As you have heard, the Nebraska Poison Control Center is a program that offers important lifesaving services to the entire state. Hospitals from across the state use the center to manage poisonings in their emergency departments. Insurance companies benefit by lower health claims experience, such as avoided hospital emergency visits. In fact, federal research indicates that for every \$1 invested in a poison control center operation, \$7 are saved in healthcare claims costs. And certainly the citizens of this state benefit from having 24-hour availability to lifesaving poison information. However, we do not believe it is reasonable for one campus to be asked to fund a program that provides benefits to such a broad range of institutions and individuals across the state. The Nebraska Medical Center cannot continue to fund a disproportionate share of the program's costs. Other states have addressed the funding issue by providing more state support or by broadening the source of funding to multiple institutions. The Nebraska Medical Center has talked to insurance companies and other hospitals about permanent funding of the Poison Control Center, but we have been unable to successfully solicit their support to create a broader source of permanent funding on a voluntary basis. We appreciate the Legislature's commitment last year and its willingness to consider increased funding for this worthy program; however, a more equitable and sustainable funding program must be found soon. The Nebraska Medical Center cannot continue this high level of support into the future. We will need to find another path to continue Nebraska's program. Thank you for your attention to this

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important issue. [LB454]

SENATOR HARMS: Thank you very much, Joe, for your testimony. Do we have any questions for Joe? Senator Wightman. [LB454]

SENATOR WIGHTMAN: Just looking at...thank you for being here, Joe, first of all, and the information is helpful. It looked like the total cost of your operation for 2008-2009, is this just the Poison Control Center, is \$1,483,186? Is that right? [LB454]

JOE GRAHAM: Yes. Yes, the expense side, as you can see from your handout, has been fairly stable, around \$1.4 million since the program began. But that is the expense of the program. [LB454]

SENATOR WIGHTMAN: And I see in 2003-2004 it was \$1.411 million, so I guess it hasn't gone up a lot. Is that correct? [LB454]

JOE GRAHAM: Correct. [LB454]

SENATOR WIGHTMAN: I was thinking you gave us some figures of \$150,000 but I don't know when that was or whether that was just a portion of the... [LB454]

JOE GRAHAM: That was the Nebraska Medical Center's subsidy the first year of the program, was \$150,000. [LB454]

SENATOR WIGHTMAN: And that was what year? [LB454]

JOE GRAHAM: That was 2003-2004. [LB454]

SENATOR WIGHTMAN: 2003. So the cost has remained just almost static every year. [LB454]

JOE GRAHAM: Right. It's the funding that has changed. The state is not funding at a half a million dollars as was funded the first half...the first year. That was, as I said, a Governor Johanns commitment. And Creighton University has dropped out. The program and the management team has been very aggressive about seeking alternative funding. You've heard about American Samoa and Wyoming and, as you can imagine, running a 24-by-7 call center has a high fixed cost burden. Those folks are there whether they're answering the phone or not. And so the broader the revenue base can be, the less the cost it is for the citizens of Nebraska. [LB454]

SENATOR WIGHTMAN: Thank you. [LB454]

JOE GRAHAM: Yeah. [LB454]

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SENATOR HARMS: Do we have any other questions for Joe? Joe, thank you very much for your testimony. Do we have anyone else who would like to speak in favor of LB454? Do we have anyone who would like to speak in opposition of LB454? Do we have anyone who would like to speak in the neutral capacity for LB454? Senator Lathrop, would you like to close? [LB454]

SENATOR LATHROP: Very briefly, very briefly, it's impressive what this Poison Control Center does. It is an important part of public health in the state and it's also impressive to me that for every \$1 we spend, we save \$7 in medical expenses, so that the mom who calls in the middle of the night wondering whether she should run to the hospital, after the child has ingested something, gets advice and a hospitalization is avoided. So in some sense, we are deferring probably some of our costs at the other side, which would be Medicaid and...primarily, expenses that we'd otherwise spend to have these kids come through the emergency room. And then what they do for our disaster preparedness you heard and I believe it's a worthy program and deserves support, so. [LB454]

SENATOR HARMS: Thank you, Senator Ashford...or, Ashford, yes, Senator Lathrop. Do you have any questions for Senator Lathrop? Thank you very much for your testimony. [LB454]

SENATOR LATHROP: Certainly. Thank you for your courtesy. [LB454]

SENATOR HARMS: LB454 is now closed. We will open Agency 47, and do we have anyone who would like to speak in favor of Agency 47? Please come forward. [LB454]

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Disposition of Bills:		
LB37 - Held in committee. LB454 - Held in committee. LB492 - Held in committee.		
Chairperson	Committee Clerk	